

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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THE MANAGEMENT GROUP, LLC, ANDREW  
FOX, and LEE HEIMAN,

Plaintiffs,

- against -

ANGEL MUSIC GROUP LTD., NEIL MOFFITT,  
NICK McCABE, JESSIE ANGLES, ANU DHAMI,  
ISABEL PIAGGI, and DAN A. VIDAL,

Defendants.  
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08-02172(PKC)

**ANSWER OF ANGEL MUSIC GROUP LTD AND NEIL MOFFITT**

Defendants Angel Music Group Ltd. ("AMG") and Neil Moffitt, by their attorneys Epstein Becker & Green, P.C., answer the plaintiffs' complaint as follows:

1. Deny the allegations in paragraph 1.
2. Deny the allegations in paragraph 2.
3. Deny the allegations in paragraph 3 except admit that Plaintiffs seek an injunction, a protective order, an accounting, and monetary damages as a remedy for their claims and deny that plaintiffs are entitled to any relief.
4. Deny knowledge or information sufficient to form a belief as to the allegations in paragraph 4.
5. Deny knowledge or information sufficient to form a belief as to the allegations in paragraph 5.

6. Deny knowledge or information sufficient to form a belief as to the allegations in paragraph 6.

7. Deny the allegations in paragraph 7 except that AMG is a United Kingdom corporation.

8. Admit the allegations in paragraph 8.

9. Deny the allegations in paragraph 9.

10. Deny the allegations in paragraph 10.

11. Deny the allegations in paragraph 11.

12. Admit the allegations in paragraph 12.

13. Admit the allegations in paragraph 13.

14. State that paragraph 14 sets forth conclusions of law to which a response is not required and deny the allegations therein so far as factual averments are made.

15. State that paragraph 15 sets forth a conclusion of law to which no response is required and refer to the Termination Agreement for a true and correct statement of the contents therein.

16. State that paragraph 16 sets forth a conclusion of law to which no response is required and refers to the Employment Agreement for a true and correct statement of the contents therein.

17. State that paragraph 17 sets forth a conclusion of law to which a response is not required and deny knowledge or information sufficient to form a belief as to the allegations therein so far as factual averments are made.

18. Deny knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 18.

19. Deny knowledge or information sufficient to form a belief as to the allegations in paragraph 19.

20. Deny knowledge or information sufficient to form a belief as to the allegations in paragraph 20.

21. Admit the allegation in paragraph 21.

22. Admit the allegations in paragraph 22.

23. Deny knowledge or information sufficient to form a belief as to the allegations in paragraph 23.

24. Deny knowledge or information sufficient to form a belief as to the allegations in paragraph 24.

25. Admit that TMG executed an agreement dated as of May 19, 2006 (the "Purchase Agreement") and refer to the Purchase Agreement for a true and correct statement of the contents therein.

26. Deny the allegations set forth in paragraph 26.

27. Deny the allegations set forth in paragraph 27.

28. Deny the allegations in paragraph 28, except deny knowledge or information sufficient to form a belief as to the truth or falsity of what Mr. Fox and Mr. Heiman allegedly were "shocked to learn of" or what they concluded.

29. Deny the allegations set forth in paragraph 29.

30. Deny knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 30, except deny that defendants caused TMG to suffer any losses and further deny that defendants are responsible for any such losses.

31. Deny the allegations set forth in paragraph 31.

32. Deny the allegations in paragraph 32 except admit that both TMG and Angel had been sued for trademark infringement by an individual claiming ownership of the name "Global Gathering" and deny knowledge or information sufficient to form a belief as to the amount of legal fees TMG paid its attorneys.

33. Deny knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 33.

34. Deny that the allegations in paragraph 34 contain an accurate or complete recitation of the terms of the Termination Agreement and refer to the Termination Agreement for a true and correct statement of the contents therein.

35. Deny that the allegations in paragraph 35 contain an accurate or complete recitation of the terms of the Termination Agreement and refer to the Termination Agreement for a true and correct statement of the contents therein.

36. Deny that the allegations in paragraph 36 contain an accurate or complete recitation of the terms of the Termination Agreement and refer to the Termination Agreement for a true and correct statement of the contents therein.

37. Deny that the allegations in paragraph 37 contain an accurate or complete recitation of the terms of the Termination Agreement and refer to the Termination Agreement for a true and correct statement of the contents therein.

38. Deny that the allegations in paragraph 38 contain an accurate or complete recitation of the terms of the Termination Agreement and refer to the Termination Agreement for a true and correct statement of the contents therein.

39. Deny the allegations contained in paragraph 39.



40. State that paragraph 40 sets forth a legal conclusion to which a response is not required and deny information and knowledge sufficient to form a belief as to the truth of the factual allegations in paragraph 40 concerning whether TMG was informed or advised of the various matters described in paragraph 40.

41. State that paragraph 41 sets forth a legal conclusion as to which a response is not required, deny information and knowledge sufficient to form a belief as to whether TMG was required to pay the landlord \$47,000 to terminate the lease; and deny the remaining factual allegations in paragraph 41 except that shortly after executing the Termination Agreement, Moffitt advised Heiman and Fox that he was moving out of the space referred to in paragraph 41.

42. Deny information and knowledge sufficient to form a belief as to the truth of the factual allegations in paragraph 42 except that McCabe had worked for TMG for more than two years and was the account manager for Bacardi.

43. Refer to the Employment Agreement for a true and correct statement of the contents therein.

44. Refer to the Employment Agreement for a true and correct statement of the contents therein.

45. Refer to the Employment Agreement for a true and correct statement of the contents therein.

46. Deny information and knowledge sufficient to form a belief as to the truth of the factual allegations in paragraph 46 and refer to the Modification Agreement for a true and correct statement of the contents therein.

47. Deny information and knowledge sufficient to form a belief as to the truth of the factual allegations in paragraph 47 and refer to the Modification Agreement for a true and correct statement of the contents therein.

48. Deny information and knowledge sufficient to form a belief as to the truth of the factual allegations in paragraph 48.

49. State that paragraph 49 sets forth conclusions of law to which a response is not required and denies the allegations therein so far as factual averments are made.

50. Deny the allegations in paragraph 50.

51. State that paragraph 51 sets forth conclusions of law to which a response is not required and denies the allegations therein so far as factual averments are made.

52. Deny the allegations in paragraph 52.

53. State that paragraph 53 sets forth conclusions of law to which a response is not required and denies the allegations therein so far as factual averments are made.

54. Deny the allegations in paragraph 54.

55. Repeat and reallege each and every answer contained in paragraphs 1 through 54 hereof as if set forth in full herein.

56. Deny the allegations in paragraph 56.

57. State that paragraph 57 sets forth conclusions of law to which a response is not required.

58. State that paragraph 58 sets forth conclusions of law to which a response is not required.

59. Repeat and reallege each and every answer contained in paragraph 1 through 58 hereof as if set forth in full herein.

60. Refer to the Termination Agreement for a true and correct statement of the contents therein.

61. Refer to the Employment Agreement for a true and correct statement of the contents therein.

62. State that paragraph 62 sets forth conclusions of law to which a response is not required and deny that any of the defendants violated any lawful obligation to plaintiffs.

63. State that paragraph 63 sets forth conclusions of law to which a response is not required and deny the allegations therein so far as factual averments are made.

64. State that paragraph 64 sets forth conclusions of law to which a response is not required and denies the allegations therein so far as factual averments are made.

65. State that paragraph 65 sets forth conclusions of law to which a response is not required and deny the allegations therein so far as factual averments are made.

66. State that paragraph 66 sets forth conclusions of law to which a response is not required and deny that plaintiffs are entitled to any legal or equitable relief.

67. Defendants repeat and reallege each and every allegation contained in paragraphs 1 through 66 hereof as if set forth herein.

68. State that paragraph 68 sets forth conclusions of law to which a response is not required and refer to the Termination Agreement for a true and correct statement of the contents therein.

69. State that paragraph 69 sets forth conclusions of law to which a response is not required and refer to the Termination Agreement for a true and correct statement of the contents therein.

70. Refer to the Termination Agreement for a true and correct statement of the contents therein.

71. Refer to the Employment Agreement for a true and correct statement of the contents therein.

72. State that paragraph 72 sets forth conclusions of law to which a response is not required and deny the allegations therein so far as factual averments are made.

73. State that paragraph 73 sets forth conclusions of law to which a response is not required and deny the allegations therein so far as factual averments are made.

74. State that paragraph 74 sets forth conclusions of law as to which a response is not required and deny the allegations therein so far as factual averments are made.

75. State that paragraph 75 sets forth conclusions of law as to which a response is not required and deny the allegations therein so far as factual averments are made.

76. Repeat and reallege each and every allegation contained in paragraphs 1 through 75 hereof as if set forth in full herein.

77. State that paragraph 77 sets forth conclusions of law to which no response is required.

78. State that paragraph 78 sets forth conclusions of law to which a response is not required and deny the allegations therein so far as factual averments are made.

79. State that paragraph 79 sets forth conclusions of law to which a response is not required and deny the allegations therein so far as factual averments are made.

80. State that paragraph 80 sets forth conclusions of law to which a response is not required and deny the allegations therein so far as factual averments are made.



81. Repeat and reallege each and every answer contained in paragraphs 1 through 80 hereof as if set forth in full herein.

82. State that paragraph 82 sets forth conclusions of law to which no response is required.

83. State that paragraph 83 sets forth conclusions of law to which a response is not required and deny the allegations therein so far as factual averments are made.

84. State that paragraph 84 sets forth conclusions of law to which a response is not required and deny the allegations therein so far as factual averments are made.

85. State that paragraph 85 sets forth conclusions of law to which a response is not required and deny the allegations therein so far as factual averments are made.

86. Repeat and reallege each and every answer contained in paragraphs 1 through 85 hereof as if set forth in full herein.

87. State that paragraph 87 sets forth conclusions of law to which a response is not required and deny the allegations therein so far as factual averments are made.

88. State that paragraph 88 sets forth conclusions of law to which a response is not required and deny the allegations therein so far as factual averments are made.

89. State that paragraph 89 sets forth conclusions of law to which a response is not required and deny the allegations therein so far as factual averments are made.

90. Repeat and reallege each and every answer contained in paragraphs 1 through 89 hereof as if set forth in full herein.

91. State that paragraph 91 sets forth conclusions of law to which a response is not required and deny the allegations therein so far as factual averments are made.

92. State that paragraph 92 sets forth conclusions of law to which a response is not required and deny the allegations therein so far as factual averments are made.

93. State that paragraph 93 sets forth conclusions of law to which a response is not required and deny the allegations therein so far as factual averments are made.

94. State that paragraph 94 sets forth conclusions of law to which a response is not required and deny the allegations therein so far as factual averments are made.

95. Repeat and reallege each and every answer contained in paragraphs 1 through 94 hereof as if set forth in full herein.

96. State that paragraph 96 sets forth conclusions of law to which a response is not required and deny the allegations therein so far as factual averments are made.

97. Deny the allegations in paragraph 97.

98. Deny the allegations in paragraph 98.

99. State that paragraph 99 sets forth conclusions of law to which a response is not required and deny the allegations therein so far as factual averments are made.

100. State that paragraph 100 sets forth conclusions of law to which a response is not required and deny the allegations therein so far as factual averments are made.

101. State that paragraph 100 sets forth conclusions of law to which a response is not required, deny the allegations therein so far as factual averments are made, and further state that Plaintiffs have withdrawn their application for immediate injunctive relief.

102. Repeat and reallege each and every answer contained in paragraphs 1 through 101 hereof as if set forth in full herein.

103. Deny the allegations contained in paragraph 103.

104. Deny the allegations contained in paragraph 104.

105. State that paragraph 105 sets forth conclusions of law to which a response is not required and deny the allegations therein so far as factual averments are made.

106. State that paragraph 106 sets forth conclusions of law to which a response is not required and deny the allegations therein so far as factual averments are made.

107. State that paragraph 107 sets forth conclusions of law to which a response is not required and deny the allegations therein so far as factual averments are made.

108. State that paragraph 108 sets forth conclusions of law to which a response is not required and deny the allegations therein so far as factual averments are made.

109. State that paragraph 109 sets forth conclusions of law to which a response is not required and deny the allegations therein so far as factual averments are made, and further state that Plaintiffs have withdrawn their application for immediate injunctive relief.

110. Repeat and reallege each and every answer contained in paragraphs 1 through 109 hereof as if set forth in full herein.

111. State that paragraph 111 sets forth conclusions of law to which a response is not required and deny the allegations therein so far as factual averments are made.

112. State that paragraph 112 sets forth conclusions of law to which a response is not required and deny the allegations therein so far as factual averments are made.

113. State that paragraph 113 sets forth conclusions of law to which a response is not required and deny the allegations therein so far as factual averments are made.

114. State that paragraph 114 sets forth conclusions of law to which a response is not required and deny the allegations therein so far as factual averments are made.

115. State that paragraph 115 sets forth conclusions of law to which a response is not required and deny the allegations therein so far as factual averments are made.

116. Repeat and reallege each and every answer contained in paragraphs 1 through 115 hereof as if set forth in full herein.

117. Deny information and knowledge sufficient to form a belief as to the allegations in paragraph 117.

118. Deny information and knowledge sufficient to form a belief as to the allegations in paragraph 118.

119. Deny information and knowledge sufficient to form a belief as to the allegations in paragraph 119.

120. Deny information and knowledge sufficient to form a belief as to the allegations in paragraph 120.

121. Deny information and knowledge sufficient to form a belief as to the allegations in paragraph 121.

122. Deny information and knowledge sufficient to form a belief as to the allegations in paragraph 122.

123. Deny information and knowledge sufficient to form a belief as to the allegations in paragraph 123.

124. State that paragraph 124 sets forth conclusions of law to which a response is not required and state that they lack information and knowledge sufficient to form a belief so far as factual averments are made.

125. State that paragraph 125 sets forth conclusions of law to which a response is not required and state that they lack information and knowledge sufficient to form a belief so far as factual averments are made.



126. State that paragraph 126 sets forth conclusions of law to which a response is not required and state that they lack information and knowledge sufficient to form a belief so far as factual averments are made.

127. State that paragraph 127 sets forth conclusions of law to which a response is not required.

128. Repeat and reallege each and every answer contained in paragraphs 1 through 127 hereof as if set forth in full herein.

129. Deny the allegations in paragraph 129.

130. State that paragraph 130 sets forth conclusions of law to which a response is not required and deny the allegations therein so far as factual averments are made.

131. State that paragraph 131 sets forth conclusions of law to which a response is not required.

### **AFFIRMATIVE DEFENSES**

#### **First Defense**

132. Plaintiffs fail to state a claim upon which relief may be granted.

#### **Second Defense**

133. Plaintiffs' equitable claims are barred in whole or in part, by reason of plaintiff's unclean hands.

#### **Third Defense**

134. Plaintiffs' claims are barred in whole or in part, by the principle of waiver.

#### **Fourth Defense**

135. Plaintiffs' claims are barred, in whole or in part, by the principle of laches.

**Fifth Defense**

136. Plaintiffs' claims are barred, in whole or in part, by the principal of waiver.

**Sixth Defense**

137. Plaintiffs' claims are barred, in whole or in part, by the failure of a condition precedent.

**Seventh Defense**

138. Plaintiffs' claims are barred in whole or in part, by reason of plaintiffs' prior material breach of the Termination Agreement.

**WHEREFORE**, Defendants Angel Music Ltd. and Neil Moffitt respectfully request that judgment be entered dismissing the Complaint with prejudice and awarding Defendants such other and further relief that the Court deems just and proper.

Dated: New York, New York  
March 19, 2008

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